

**MISCELLANEOUS INFORMATION OF POLITICAL AND ECONOMIC NATURE ON USSR  
AND SATELLITES**

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- I Introduction

At this time, when the Soviet policy in Eastern Europe seems to be taking a new turn, it is fitting to summarize all of our information concerning the mutual economic relations of the countries lying behind the iron curtain.

While not going so far as to risk interpretations which to say the least would be hypothetical, we can call attention to two outstanding, definite facts: 1) the necessity for certain Satellites to renew their traditional ties with Western Europe so as to avoid economic strangulation and to assure the normal development of their industry; and, 2) the outright desire to subordinate certain principles to the harmonious development of their commercial activities.

The strict control that the Kremlin exercises over the governments of Warsaw, Prague, and Budapest, and the consultations which have preceded each step taken by the representatives of these governments in their relations with the West leave no doubt with respect to the concerted character of their actions. The Soviet bosses have actually given their Satellites a bit more freedom so that the shelves of the Central European stores may again be stocked with Western goods.

This recent development is not without danger. It is not necessary to speak about the political conditions which must accompany any trading with Western countries; but the simple act of opening a window toward the

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West and of permitting a certain freedom to Western merchants and technicians can not occur without raising the hopes of, and favoring the impulse to act by, an opposition which at present is reduced to silence.

This "Trojan horse" will give the Kremlin the means of penetration of which it had been deprived through its policy of isolation. The Kremlin has no cause for alarm so long as the men within the horse do not desert to the enemy and the structural reforms imposed upon the Satellites for the past two years be so well implanted that these reforms may survive even a more or less effective change in government or, as in the case of Yugoslavia, may survive a political deviation.

If the transformations in the internal economic apparatus of these countries appear sufficiently radical to preclude even a hypothetical return to more liberal institutions, this is certainly not true of the institutions which handle the reciprocal relations and whose aim is to assure economic independence for the whole Eastern bloc.

Unfortunately, the information which we have collected is too vague to permit an exhaustive study of the problem. It is particularly regrettable that the information gathered by the best observers does not allow us to form even an approximate idea of the extent to which the trade agreements have actually been executed. We are lacking the essential data which would permit us to check the truth of the statistics issued by the interested parties, and, far more important, to measure the progress of the Eastern bloc on its road to autarchy.

However, considering some of the original reports of this study, we are struck by the timidity of Moscow's activity in the economic field. This is in direct contrast to the distinctness of ideas and to the vigor of execution which Moscow showed when it was a question of putting into line the governments under its power and of casting from one and the same mold all the people's democracies. The hasty signing of bilateral pacts, which bind the Satellites to long agreements, makes us think of an

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improvisation - a front for an edifice for which the construction material had not yet been assembled - rather than of a rational planning.

We should be astonished at these tentative ~~XXXX~~ efforts and this lack of method, if we did not know the real aim of the Soviet activity in Eastern Europe during the past 2 years. In this period, USSR was pointing primarily toward political objectives and relegating economic conditions to a secondary role or, to be more exact, was postponing the realization of the economic plan to better times.

Upon close examination, the "Moletov Plan" becomes only a useful slogan created to counteract the "Marshall Plan." But, where this latter plan was based on American goods ready to be poured into Europe, the Russians could only offer a militarizing of the ~~XXXXXXXX~~ economy and a program of unrelenting labor.

After Czechoslovakia was forbidden to attend the Paris Conference and the door between the West and the East had been locked and bolted, this concerted plan was visible. Each country was left free to develop its own industrialization in whatever direction and by whatever means that seemed suitable - with the reservation that the needs of Russia were to be the first and last consideration. Much later, the first attempts for harmonious cooperation appeared in the Danube area and later were extended to the Vistula.

The first test of this nature, the combination of Yugoslav electricity and Hungarian bauxite, was jeopardized by Marshal Tito and this economic failure threatened his regime.

During the past year, however, we have seen the guiding plans for the organizing of the Hungarian-Polish-Czech industrial unity and for the dividing of the operations among these three countries: the creation of a vast arsenal in Bohemia, mainly for the production of light arms; the construction of an eastern Ruhr, based on Silesia and the Cieszyn region; and the specialization of certain branches of Polish and Hungarian industry. Coordinating commissions, which will see to the fulfillment of this program are to be organized.

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We can see in this Russia's constant care to effect concentrations which can easily be converted into Soviet-type combinats, to produce simultaneously strict interdependence between regions which are ethnically different, and to hinder any trace of revolt.

The synchronization and coordination of the national plans, as well as the explanation of the exchanges of goods, should hasten the application of these plans, which, so far as we know, are only in the setting-up stage. The creation of a central organization to supervise the strict execution of these plans fits perfectly in the logic of the system, and if we can believe some documents, the authenticity of which unfortunately we can not guarantee, CEMA probably will assume the role of the central organization, which is nothing but a replica of OKEC.

Some of the clauses of the charter and the permanent residence of the general secretariat of the Council at Moscow lead us to believe that CEMA will not limit itself to be only the organ of coordination among the nations of the Eastern bloc. The scope of this Council's jurisdiction makes it appear a true Ministry of Economic Affairs with a Western veneer, strictly subordinated to the orders of the Politburo of the Communist Party (Bolshevik) of the USSR.

Doubtlessly, on the eve of a political evolution which would grant to her satellites a certain amount of apparent freedom, Russia has wanted to endow herself with a permanent directing and controlling apparatus. This machinery would permit her to counterattack instantly any threat of deviation. In addition to a provisory and purely defensive idea, we should perhaps see in the formation of CEMA a new step in building Socialist economy in the territories occupied by USSR - a prologue to a final absorption of these regions into the Soviet sphere.

### II Economic Relations Between USSR and her Satellites

Before speaking about CEMA, which permits USSR to coordinate the economic relations of her satellites, we shall recall the trade agreements in force between USSR and these countries.

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USSR - Czechoslovakia. The press and the economic journals have loudly proclaimed the signing, in September 1948, of the reciprocal trade agreement for 1949, which constituted "The greatest trade agreement that Czechoslovakia had ever concluded with foreign countries."

The exchanges of goods worth 18 billion crowns (ni a billion exports and nine billion imports) represent about one-quarter of the foreign trade planned for the first year of the Czech Five-Year Plan.

The agreement provided, among other things, a large increase in Soviet deliveries of raw material in order to compensate for the reduction of western shipments and also an increase of deliveries of Soviet foodstuff. USSR was to buy the majority of Czech manufactured goods.

Czechoslovakia had a type of work contract for which she was paid in supplementary deliveries of foodstuff.

This agreement was only a prelude to the December conferences at Moscow. These conferences confirmed the transformation of Czechoslovakia into the industrial bulwark of the Eastern bloc. Only after having verified that Czechoslovakia was not capable of playing this role without calling upon western help did the Kremlin agree to grant her gold credit and currency in order to purchase in the West equipment - especially textile machinery. According to an unconfirmed report, this credit was granted on the following terms:

- 1 The Russian loan to Czechoslovakia amounted to 200 million dollars, part in gold and part in currency, payable in four installments of 50 million dollars per year.
- 2 Repayment of this sum by levies on the current Czech production beginning in the second year (that is, dated from 31 January 1950); the value of these deliveries was to be calculated on the 1938 world prices.
- 3 An actual Soviet monopoly in the Czech textile and leather industries.
- 4 Delivery to Czechoslovakia of machinery and equipment from the dismantled factories of Eastern Germany, originally destined for

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Yugoslav industry.

5 Thus equipped and supplied, in keeping with the Moscow negotiations, the Czech Five-Year Plan was to effect an intensive industrial growth, to repay the Soviet loan from current production, to serve to create a joint stockpile which was to be distributed under USSR control among the Satellites, and to ~~leave~~ leave Czechoslovakia with an appreciable amount of goods with which to carry on foreign trade in other directions. (The Czech machine tool production was to be divided with 50 percent going to USSR; the remaining 50 percent was to stay in the country but to be used as follows: half was reserved for the Russians who would export the machine tools for their profit and next in turn Czechoslovakia for currency; the other half was placed at the disposal of Czechoslovakia who could use it for its own needs or export it and receive raw material or currency.)

USSR - Hungary. The trade agreement between these two countries, concluded in October 1948 and valid for 17 months, provided for exchanges worth 150 million dollars. This represented, over the agreement which terminated in November 1947, and increase of Hungarian exports to Russia from 15 percent to 24 percent, and of Hungarian imports from Russia from 12 percent to 27 percent.

Under this general agreement, the Soviet government ordered machinery with an additional value of 150 million dollars from Hungarian industry, to be delivered from 1950 to 1954 (it should be noted that 626 locomotives are included in these lists).

The significance of this twin agreement is that from now on all the economic life of Hungary is subordinated to the present Soviet Five-Year Plan; because, even if only 25 percent of the imports and exports are reserved for USSR, the large Soviet orders for industrial machinery, included in the agreement, constitute a heavy burden on Hungarian economy. Supplementary deliveries are provided in the list of goods to be sent to USSR by Hungary from July 1948 to July 1949 under the title of reparations.

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The former Yugoslav-Hungarian agreement, annulled under pressure from Moscow, included deliveries of similar material, valued at 100 million dollars. These deliveries were judged too large to be fulfilled, but now the Russian orders amount to more than 300 million dollars. However, the figures do not tell the whole story. If official sources assure the coverage of Hungarian raw material requirement by USSR, these same sources do not add that iron, nonferrous metals, cotton, and other raw materials delivered by USSR will be reexported, after processing, to USSR under the abovementioned agreement.

USSR - Rumania. Soviet penetration has been deepest in Rumania. The Russian inspectors, assigned to most of the industrial installations, practically supervise all the economic activity of Rumania. In addition to the mixed companies (NOMEX, SOVRUM) and to business enterprises which have been seized as war prizes, there are Soviet <sup>tech</sup>directors or "advisors" in many nationalized companies.

The agreement signed at the end of December 1948, relative to the exchange of goods in 1949, called for an increase of 250 percent in both directions over 1948. The value of goods delivered by each country was to be raised to about 405 million rubles. On 24 January 1949, an agreement on the payments between the two countries was signed at Moscow.

USSR - Bulgaria. The agreement concluded between these two countries in January 1949 provided for a 200-percent increase in trade. This treaty was acclaimed with the customary praises in Bulgarian circles. The Bulgarians claim that the agreement is extremely important for the realization of the Bulgarian Five-Year Plan. The Russian deliveries of metals, petroleum products, agricultural machinery, and chemical products will be much greater than in the past. Bulgaria is to furnish mainly tobacco, ores and ore concentrates, cement and similar goods.

USSR - Poland. Trade agreements between USSR and Poland were signed in August 1945, November 1946, August 1947, and finally on 15 May 1948. The agreement concluded at Moscow in 1948 is for the exchange of goods worth 110 million dollars. Poland is to furnish USSR with coal and

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coke, zinc, cement, textiles, sugar, and railroad cars. Russia is to supply cotton, iron, manganese, chromium, fuel for motor vehicles, tractors, and automobiles.

On 30 August 1948, four agreements were signed for the delivery of material for automobiles by USSR to Poland. Russia is Poland's principal client and source, followed by Sweden and France.

### III Economic Relations Among the Different Satellites

The realization of the plan for coordinating production in the Eastern bloc and the formation of CEMA had been prepared months ahead by the signing of numerous bilateral agreements between the satellite countries.

Like the "treaties of friendship, cooperation, and mutual assistance" (which are of a very broad scope: political, economic, military, etc; and which may run for up to 20 years), the agreements for economic cooperation last for long periods, usually 5 years. These economic agreements are renewable and point toward the coordination of the economic plans of the signatory countries.

The application of these agreements is under the jurisdiction of a Permanent Commission, made up of delegates from the interested countries. This Commission appoints a number of Subcommissions which are charged with the study of particular questions. The industrial subcommission is in charge of the coordination of industrial plans; the trade subcommission signs trade agreements and establishes the lists of goods to be exchanged during the year.

The first agreement of cooperation was signed in July 1947 between Czechoslovakia and Poland.

The activities of the Council of Polish-Czech Economic Cooperation are supervised by USSR, who is trying quite plainly to create in Czechoslovakia and Poland and eastern Ruhr and to make the two countries economically complementary. At the end of the second session of the Polish - Czech Economic Council in September 1948, the Council announced that "



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"The spirit of the plan will correspond to the plans of USSR for making Czechoslovakia and Poland complementary in the economic plan. This is extended to the coal, metallurgical, textile, and other industries."

The plan published by the Council in the September 1949 session will be in force for 5 years and, among other things, provides for the following points:

- 1 A progressive increase of trade between the two countries; the value of this trade is supposed to reach 10 billion crowns in 1953- under the most favorable conditions;
- 2 Important arrangements for the common use of electric energy and gas from the distillation of petroleum;
- 3 Exchange of specialists and of scientific discoveries;
- 4 Improvement of rail and water transportation between the two countries; especially the railroad line connecting Czechoslovakia with Szczecin.

This plan became effective at the end of 1948. The press and the economic bulletins (Czech Economic Bulletin, a weekly, of 21 March 1949 and ff) have frequently referred to the effectiveness of the plan: exchange of specialists, Polish workers sent to Czechoslovakia, and deliveries of Czech railroad material to Poland.

The coordination seems to have been particularly effective in the Gieszyn region.

At the present time, work is being done on the coordination of the metallurgical industry of the two countries and standardized production of railroad cars, barges, mining installations and a greater standardization of spare parts (for automobiles, engines, etc).

One of the most recent acts of the Council has been to organize the Czech-Polish Commission for foreign trade. This Commission will study all problems of common interest to the two countries: sale and purchase of merchandise, elimination of competition, exchange of information on foreign markets, exploitation of the possibilities of purchasing in

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foreign countries the goods needed by the other partner. Information will be exchanged on the following points: 1) the present economic situation in Poland and Czechoslovakia and the problems which need an immediate solution, 2) the prices of merchandise on all local markets, 3) import and export regulations, 4) trade policy and trade relations of each of the two countries with other nations, and 5) important commercial information on the firms of each of the two countries. Reports will be furnished once a month by each country.

Even if good will and reciprocal economic assistance seem to exist between these two countries, nevertheless there are some incidents which prove that actually there are difficulties. The following is the most striking example. Czechoslovakia, which is particularly deficient in scrap iron, had the opportunity to acquire a number of old boats from the International Swiss Bureau. When Czechoslovakia tried to reach an agreement with Poland in order to go about cutting these ships, the Polish government insisted on these conditions:

- 1 Czechoslovakia was to bring the ships to a Polish port and there the scrapping would be done by Polish labor only.
- 2 In exchange for the right to use the Polish port and Polish labor, 50 percent of the scrap, bought by Czechoslovakia with dollars and salvaged by Poland, would be surrendered to Poland. She would pay Czechoslovakia in slotys for this 50 percent.

Czechoslovakia refused to sign such an agreement because she did not wish: 1) to see herself done out of half of the scrap which she had procured, 2) to be repaid in slotys for a purchase that she had made with strong currency, and 3) to be incapable of supervising the salvage operations because she was not authorized to use her own labor.

Hungary and Bulgaria signed an agreement at Budapest in March 1948 which extended their economic collaboration. This agreement, which has been concluded without a clearing agreement, plans for Hungary to deliver to Bulgaria material for electrification, mines, and industry. The agree-

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ment will last several years and the first quota, 17 million dollars, is to be delivered by 31 December 1949. In exchange, Bulgaria will deliver to Hungarian industry various raw materials, including ores.

The relations between Czechoslovakia and Bulgaria are ~~governed~~ governed by two agreements ratified in April 1948.

1 An ordinary trade agreement for one year which assures the normal trade relations between the two countries. For 1949, the volume of goods is planned to be 30 percent greater than the preceeding year, and deliveries of Czech industrial products will be made in exchange for Bulgarian agricultural products.

2 An investment agreement running for 4 years, which represents an important instrument for the application of the economic plans of the two countries, assuring equipment to Bulgaria and agricultural products to Czechoslovakia.

In June 1948, an important treaty of economic cooperation for a 5-year period was signed by Hungary and Poland. A permanent commission, meeting every 3 months, has formed three subcommissions which have already studied many questions at their meetings.

1 The subcommission for industrial and technical cooperation is studying the means of coordinating production between the two countries. Some articles (passenger autos) will be produced or built only by Poland, others (trucks and autobuses) only by Hungary.

2 The subcommission for trade has concluded a 5-year treaty between the two countries.

3 The subcommission for plans and statistics has settled many basic questions of a theoretic nature.

The first postwar trade and financial agreement between Hungary and Rumania was signed in July 1948 after rather difficult negotiations. This one-year treaty is for goods valued at 21 million dollars; a considerable increase in trade because the value of the goods exchanged in 1947 was about five million dollars.

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"The fraternal relations" between Rumania and Poland were ratified by agreements of cooperation, mutual assistance, and economic collaboration signed in September 1948 and running for 5 years. As in the case of the other countries with planned economy, the aim of this agreement is "to develop trade relations between the two countries and to effect a close cooperation in the field of industry, of agriculture, and of trade as well as the coordination of transportation."

The trade agreement between Hungary and Czechoslovakia, signed 23 November 1948 and valid until the end of 1949, is also a type of long-term agreement of economic cooperations (5 years for Czechoslovakia). This agreement, amounting to one billion 400 million crowns for each of the two countries, carries a detailed list of the many products that Czechoslovakia is to deliver. Included in the list are aircraft for training Hungarian youth (40 million crowns) and "special installations" - actually machinery for armament production. Only the "Industrial Development Center", which organizes war plants, knows the real nature and type of these "special installations." Czechoslovakia is also to deliver important quantities of chemical products.

The Hungarian delivers<sup>ies</sup> of industrial products are smaller; electro-technical material is the only large item.

There are also 5-year agreements between Czechoslovakia and Rumania. The agreements carry a detailed list of goods and also tables indicating the quotas for the industrial enterprises which are incorporated under the agreements.

### IV The Special Case of Yugoslavia

Yugoslavia's case is unique. The last agreement with USSR, in December 1948, brings the volume of trade between these two countries to about one-eighth of the former volume. Under this treaty, the first shipments for both countries were planned for the first 3 months of 1949. Yugoslavia exported only half of her commitments (flax, hemp, and some ores),

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claiming that she had to await industrial equipment from Czechoslovakia. USSR has sent nothing up to now, and she has even cancelled the last shipment due Yugoslavia under the 1948 agreement - mainly plant equipment. In revenge, Yugoslavia has cancelled all shipments of copper ore for the last 4 months.

Yugoslavia's trade with the other Satellites has dropped to almost nothing since the end of 1948. The Satellites are still making some deliveries to Yugoslavia but with poor grace and at prices which have been raised 30 to 50 percent.

The long-term barter agreement concluded with Czechoslovakia in February 1947 for a 5-year period has recently been replaced by a trade agreement for 1949. The established volume of trade is to be about the same as in 1948 (50 million dollars), but since the beginning of 1949 almost all deliveries of Czech manufactured products <sup>have</sup> been suspended.

The situation is even more confused with respect of Hungary. Since Tito's rupture with the Cominform, USSR has not forced Hungary to cease trading with Yugoslavia, because Hungarian economy would be affected. Yugoslavia sends wood, raw materials, and particularly copper which are needed by Hungarian heavy industry. The reports published by MAV show that for the last months of 1948 and the first of 1949 deliveries have been very regular.

Yugoslavia	Aug 48	Sep 48	Oct 48	Nov 48	Dec 48	+ % or - % between
to						Nov and Dec 48
Hungary(tons)	51,866	58,758	51,443	44,686	36,311	-21.36%
Hungary						
to						
Yugoslavia	4,403	2,437	3,820	8,131	11,007	+ 31%

For January 1949, both parties have decreased their exchanges of goods, especially deliveries of coal by Hungary (340 tons in January against 5,000 tons in December) and firewood by Yugoslavia (1,049 tons in January against 9,199 tons in December). At the present time, trade seems to be at a complete standstill.

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Hungary is greatly behind in her indemnity payments which she owes Yugoslavia as reparations.

A study of the same MAV reports brings to light interesting facts on Yugoslav-Polish trade. The export of logs from Yugoslavia to Poland increased from 440 tons in December to 2,075 tons in January. At the same time, Poland delivered more railroad material to Yugoslavia - 1,358 tons in December and 2,386 tons in January. Some coal trains for Yugoslavia have been observed in Poland. The volume of trade has been appreciably diminished under the trade agreement conclude in January - only 600 million dinars of Polish goods (coke, cast iron, and technical material).

Rumania has suspended deliveries of petroleum and other goods to Yugoslavia for some time (since July 1948).

Bulgaria and Yugoslavia have long since ceased trading and Yugoslavia has gone so far as to refuse to permit merchandise to pass through her territories (perishable foods such as fresh grapes).

### V CEMA

We have received, from a source which unfortunately unreliable, a document which is purportedly the Charter of the Council of Economic Mutual Aid between USSR and her Satellites. (The full text of this agreement for the creation of CEMA is available to our addressees.) If we can believe this document, the creation of CEMA is tantamount to placing every sort of economic independence within the reach of Rumania, Poland, Czechoslovakia, Hungary, Bulgaria, and now, Albania.

This is the logical outcome of a loss of all political independence. The way to this loss was prepared by a net of numerous bilateral pacts of friendship, collaboration, and mutual assistance. These pacts, as we have seen, are between USSR and each of her Satellites on one hand, and between the Satellites themselves on the other hand;

We shall mention only the essential and most significant points of this document.

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- 1 <sup>was</sup> CEMA ~~is~~ to function for 20 years
- 2 A meeting of the Council was to be held every 3 months alternatively in a signatory country, but the General Secretariat was to have its seat at Moscow
- 3 USSR was to contribute 50 percent of the funds available to this General Secretariat, the other signatory countries would subscribe the remaining 50 percent. In this way, USSR would hold practically the majority.
- 4 Although, according to the press, CEMA was to make its decisions only after the assent of the interested country, in reality the decisions of the General Secretariat would be obligatory. The General Secretariat would issue orders which had only to be ratified by the Council.
- 5 Each signatory country must send, at the beginning of every month, production data to the General Secretariat or to the Council. This must be done so that the figures can be checked. Observers may be sent by the central body to spot-check the exactness of the reports.

The creation of CEMA consequently would constitute the legal instrument whereby USSR could systematically exploit, to her own ends, the economy of her Satellites. Their economic life would then become only a function of the Soviet economy.

It is probably too early to judge the efficacy of this body which was hastily created only a few months ago as a foil to the economic organizations of Western Europe. The activity of CEMA is to last 20 years, but the information which we have received indicates that CEMA's influence has not been felt favorably in the people's democracies.

Many difficulties in the exchange of goods exist within the satellite group, which has apparently been given no precise directives.

The trade agreement between Rumania and Hungary is not working well because the deliveries by Rumania are not on schedule.

The April economic conferences between Hungary and Czechoslovakia have not proceeded with the same harmony which was said to have existed

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when the Council was formed. Minister Clementis himself has declared that he could not count on aid from CEMA to direct Hungarian economy toward a treaty of Hungarian-Czech economic cooperation. The Minister has added that there is some confusion in Moscow on the subject of political economy.

The Soviets continue, however, to give precise instructions relative to the things they wish to obtain from each satellite state <sup>or</sup> by its agency. Hungary is always being pushed to increase her purchases of machine tools and industrial equipment from the Marshall-plan countries. "FERUNION", the Hungarian firm for import and export of industrial products, is planning to import monthly 400 million florints worth of grinders, hydraulic presses, excavators, derricks, and pipe-making machinery. These purchases could be covered only by larger shipments of agricultural products, promoted by large government subsidies. Soviet influence, and perhaps that of CEMA, is manifested in this, because these purchases greatly surpass the requirement and potential of Hungary.

In conclusion, the Soviets seem to be maintaining, as previously, their exacting requirements for particular products from each of the Satellites. However, the Soviets do not seem to be in a position, at this time, to coordinate efficiently exchanges among the satellites nor to organize their respective productions according to a concerted plan. The existing confusion, to which Minister Clementis alludes and which has been provoked by the recent changes in Soviet policy, is perhaps the cause of this deficiency. If such is the case, the failure to meet obligations will probably continue.

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## ANNEX I

### Schedule of Hungarian Merchandise Deliveries as Reparations to USSR for the Period from July 1948 to July 1949

Based on the agreement with the Soviet representatives and on the decision of General Chablin, in charge of reparations due USSR from Hungary, the schedule of reparations demanded by USSR for the period from July 1948 to July 1949 has been established as follows:

1	Industrial equipment, valued at	1,306,200 dollars
2	Railroad material, valued at	6,424,900 dollars
3	Boats, valued at	1,580,000 dollars
4	Agricultural products	<u>689,300 dollars</u>
		10,000,400 dollars

These deliveries put a heavy strain primarily on Hungarian heavy industry and particularly upon that part which manufactures railroad material.

The breakdown of the deliveries, which are planned, follows.

<u>Type of Product</u>	<u>Units</u>	<u>Value in \$1,000</u>
<b>1 <u>Industrial Installations</u></b>		
Harbor cranes	8	242
Electric motors	300	174
135-KW broadcasting station	1	243
Refrigerating installations	32	137
Gas plant (addition to 1948 shipment)		25.2
50-HP steam engines	70	350
275-HP steam engines	7	<u>135</u>
		1,306.2
<b>2 <u>Railroad Material</u></b>		
Locomotives, type "0.50", broad gauge	67	3,256.2
60-ton freight cars, broad gauge	700	2,170
50-ton tank cars, broad gauge	120	516

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## ANNEX I (cont)

Metal Bridge Parts	2,735 tons	266.7
Switches	2,000	<u>216</u> 6,424.9
3 Boats		
1,100-ton cargo	6	1,350
Self-propelled float- ing cranes	1	<u>230</u> 1,580
4 <u>Agricultural Products</u>		
Draught horses	600	45
Cattle on the hoof	5,000 tons	415
Stallions	150	22.5
Animal fat	681 tons	142.9
Leather	87 tons	<u>63.9</u> 689.3

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## ANNEX II

ROMANIA - Relations with Czechoslovakia

Table of the industrial enterprises incorporated under the industrial agreement between the Rumanian People's Republic and Czechoslovakia, indicating the Czech share in the Rumanian capital.

Name of enterprise, location	Activity	Total percent	Annual percent*	Observations (delivered quantities)
Banloc, Baicel	Rubber	33	12	received 6,000 tons crude rubber
Uzinele Chimice Romane, Bucharest	"	40	8	
Bod, Brasov	Sugar	18	5	rec'd complete mixing plant
Freidorf, Timisoara	"	32	7	
Biruinta, Bucharest	Chemical Products	40	8	
Proletarul, Bucharest	" "	26	6	
Infratirea, Tg-Mures	" "	32	6	
Flacara, Cluj	" "	42	9	
Filimon Sarbu, Bucharest	" "	15	4	
Crisul	" "	30	6	
Colentina, Bucharest	" "	25	5	
Gherla Mare	" "	45	8	
Tarnavela	" "	45	9	
Alud	" "	36	7	
Beius, Bihor	" "	28	6	
Lasa Bella, Baia	" "	12	3	
Somanetan, Copșa Mica	" "	40	8	
Fabr Oxigene & Acide Carbonique, Oradea	" "	30	7	rec'd 27,000 cylinders
Intrep Chim., Copșa Mica	Carbon Black	32	8	rec'd hydroelectric plant

\* The industrial agreement signed by Rumania are usually for a 5-year period and generally the annual share is one-fifth of the total investment.

ANNEX II (cont) **SECRET**

Rahova, Bucharest	Beer	40	8	
Asuga	"	40	5	received
Aurora, Brasov	"	30	6	25,000 tons
Inainte, Cluj	"	30	5	of hops and
Munca, Oradea	"	40	8	special mix-
Berec Sibinului	"	40	4	ture of colored
Timisoareana	"	40	7	oats
Cerna-Voda	Cement	40	6	
Braila	"	32	8	
Talpa, Bucharest	Leather	20	5	
Ianos Berbac, Cluj	"	40	8	
Prima Banat, Timisoara	"	35	7	
St Plavat, Timisoara	"	40	8	
Triumf, Cluj	Spark Plugs	30	4	
Angrenajul, Bucharest	Elec Articles	40	8	
Vestitorul, Bucharest	" "	40	8	
Standard, Bucharest	" "	40	8	rec'd 6,000 m of spe-
				cial cable
Tungaram, Bucharest	" "	20	5	rec'd 450 kg filaments
IMS, Ober	" "	25	6	
Electrosar, Fieni	" "	40	8	rec'd \$120,000
Rapid, Aiud	Agric Machinery	30	6	spare parts
IMS, Roman	" "	30	6	rec'd 2,000 tons
				special steel
Rezistenta, Galati	Metallurgy	35	6	
9 Mai, Cerna-Voda	"	40	8	
Breiner Bella, Brasov	"	15	3	
Autoindependenta, Bucharest	"	25	6	rec'd 9,000 m of elec-
				tric cable for assemble
Progresul, Braila	"	40	7	
7 Noembrie, Galati	"	40	8	
Steagul Rosu, Arad	"	20	4	
Tractorul, Brasov	"	15	3	

## SECRET

## ANNEX II (cont)

6 Martie, Brasov	Metallurgy	12	2
V Roaita, Bucharest	"	17	4
Mecano-Agricola, Dodlea	"	40	6
I Pintilie, Plopieni	"	30	6
Macheru, T-Severin	"	40	6
23 August, Hunedoara	"	25	6
Dinamica, T-Severin	"	30	6
Cerkez, Braila	"	40	8
Constructia, Bucharest	"	30	6
Acta, Bucharest	"	40	8
Prerom, Brasov	"	15	3
Parcomet, Bucharest	"	12	3
IMS, Sibiu	"	8	2
Independenta, Sibiu	"	30	6
Copsa Mica - Cugir	12	12	4
Unio, Satu-Mare	"	45	9
IMC, Cotroceni	"	15	4
Macasul, Floesti	"	40	8